BOB F. ANDERSON, PE, INC.

PETROLEUM ENGINEERS & CONSULTANTS
TELEPHONE (318) 425-4230
FACSIMILE (318) 222-1054
email: bfandpe@aol.com

December 5, 2003

Honorable James H. Welsh, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Substitute Unit Well At an Exceptional Location Cotton Valley D Sand CV D SUGG Greenwood-Waskom Field Caddo Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of CYPRESS OPERATING, INC., (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley D Sand, Greenwood-Waskom Field, Caddo Parish, Louisiana:

- 1. To permit the applicant to drill, designate and utilize their Folurnoy et al 27 No. 1 Well as a substitute unit well for the CV D SUGG, in exception to the spacing provisions of the 193-B and 270-1 Series of Office of Conservation Orders, for the production of gas and condensate from the Cotton Valley D Sand, Greenwood-Waskom Field, Caddo Parish, Louisiana, such unit and well shown on the attached plat and made a part hereof.
- 2. To find that a substitute unit well at the location shown on the attached plat will assist in draining additional hydrocarbons beneath the unit designated CV D SUGG that cannot be drained by any existing well within the unit.
- 3. To consider and cover such other matter as the Commissioner of Conservation may deem pertinent and appropriate.

The Cotton Valley D Sand in the Greenwood-Waskom Field, Caddo Parish, Louisiana, was defined in the 193-B and 270-1 Series of Office of Conservation Orders.

The pertinent data pertaining to this application is available for inspection at the Offices of B. F. Anderson, 400 Travis Street, Suite 209, Shreveport, Louisiana 71101-3110. Any person wishing to inspect such data should call B. F. Anderson at 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent, that is otherwise not available from the Office of Conservation, can be obtained at the expense of the requesting party.

The subject matter of this application does not require a pre-hearing conference.

Attached hereto and made a part of, are plats showing the applicant's proposal and a list of the names and addresses of the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being furnished. Pursuant to the Revised Rules of Procedure, the list of parties is being furnished to the Commissioner of Conservation and to the District Office of Conservation. The list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. Upon receipt of the legal notice, it will be posted and will be published in a newspaper in the area in which the field is located.

Our check, made payable to the Office of Conservation, is attached to cover the applicable hearing fee.

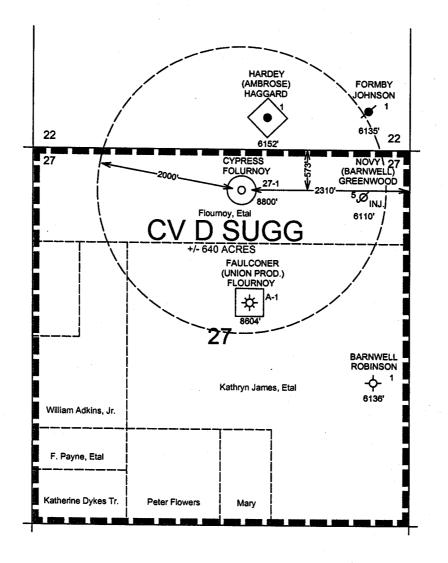
Yours very truly,

B. F. Anderson, PE for

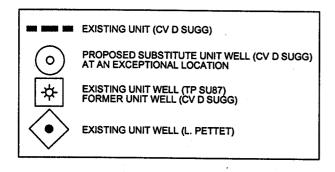
CYPRESS OPERATING, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation Interested Owners, Represented Parties and Interested Parties Cypress Operating, Inc.

R 16 W



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CYPRESS OPERATING, INC.

GREENWOOD-WASKOM FIELD

CADDO PARISH, LOUISIANA

PROPOSED SUBSTITUTE UNIT WELL AT EXCEPTIONAL LOCATION

CV D SUGG; FLOURNOY ETAL 27 #1

EXHIBIT NO.1